


Comprehensive Economic Development Strategy for Vermont (CEDS)

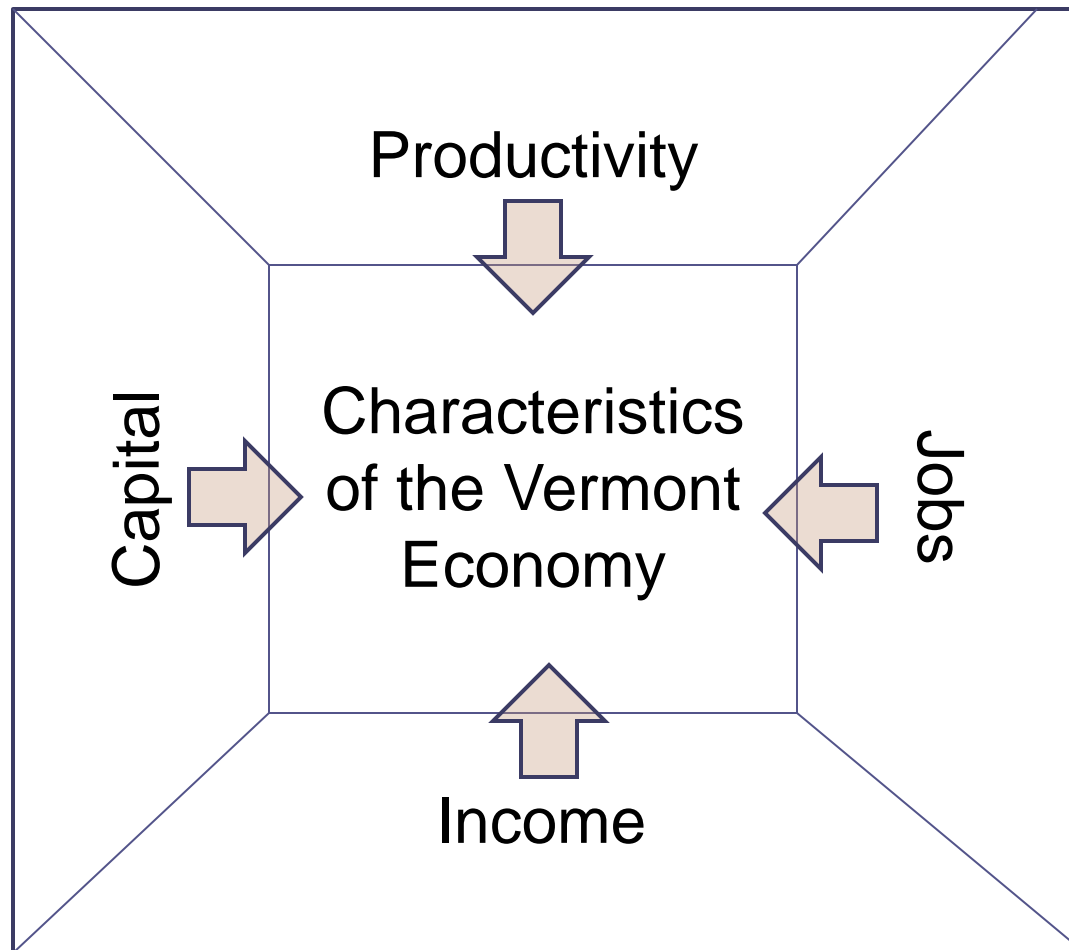
A series of horizontal lines in teal and white, located below the title and extending from the left edge of the slide towards the right.

Ken Jones, Economic Research Analyst
Will Hofmann, Intern, University of Vermont
Vermont Agency of Commerce and Community
Development
August 5, 2013

CEDS

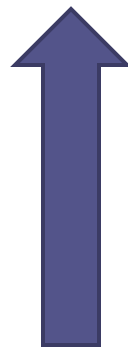
- Priorities for EDA financing
- Positive aspects of Vermont economy
 - To build on
- Negative aspects of Vermont economy
 - To develop solutions
- And yes, resiliency

The Vermont Economy



The Vermont Economy

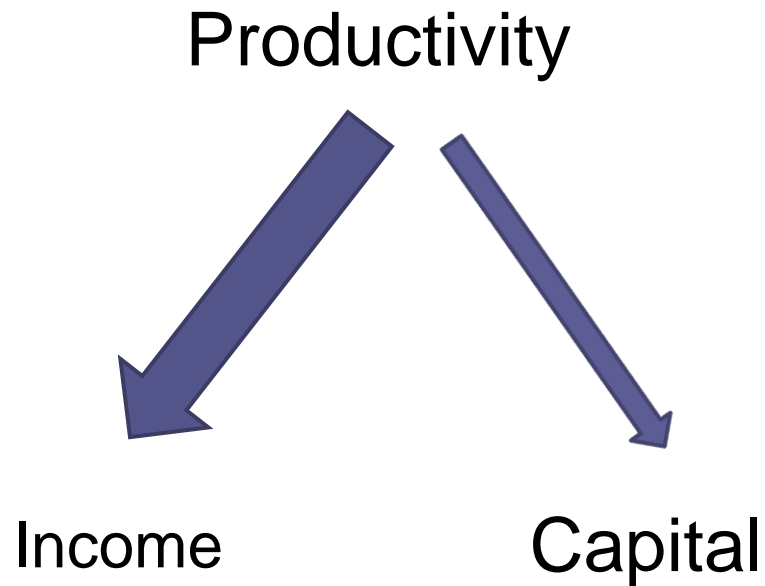
Productivity



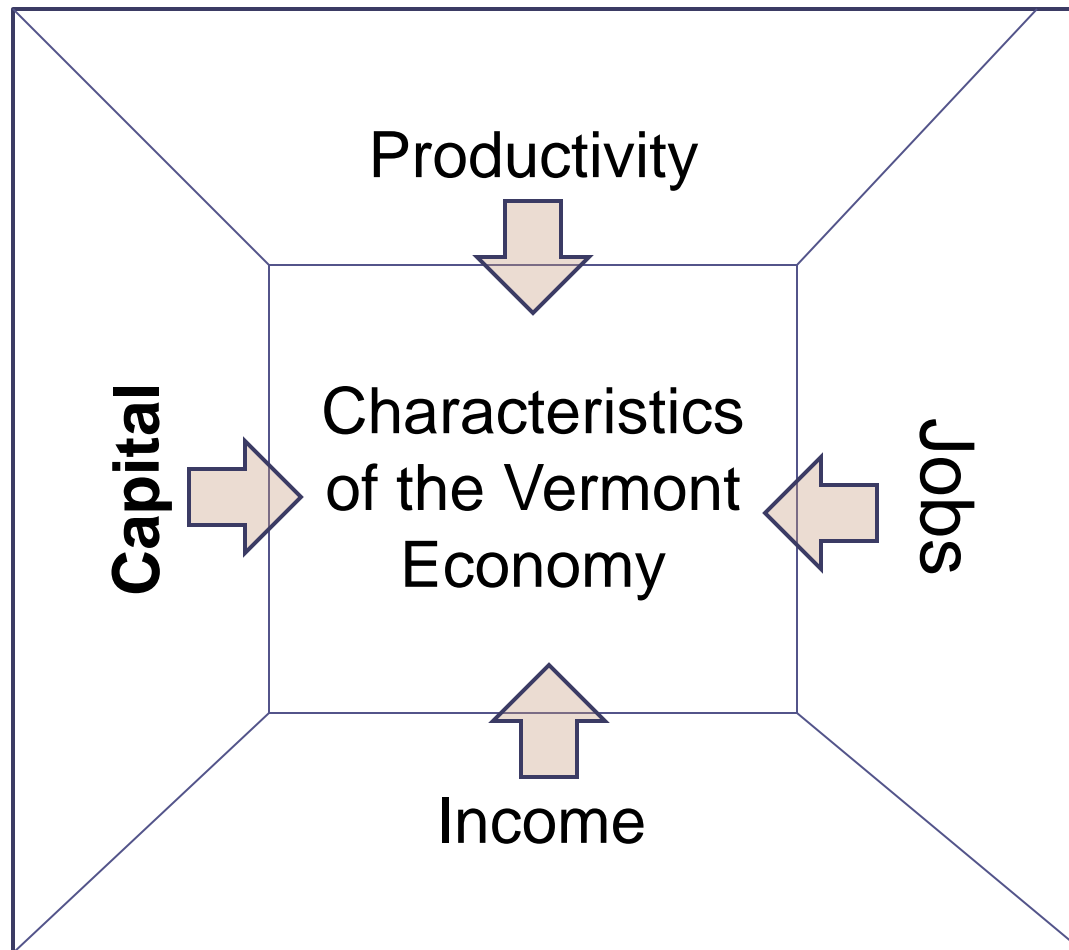
Jobs

Capital

The Vermont Economy



The Vermont Economy

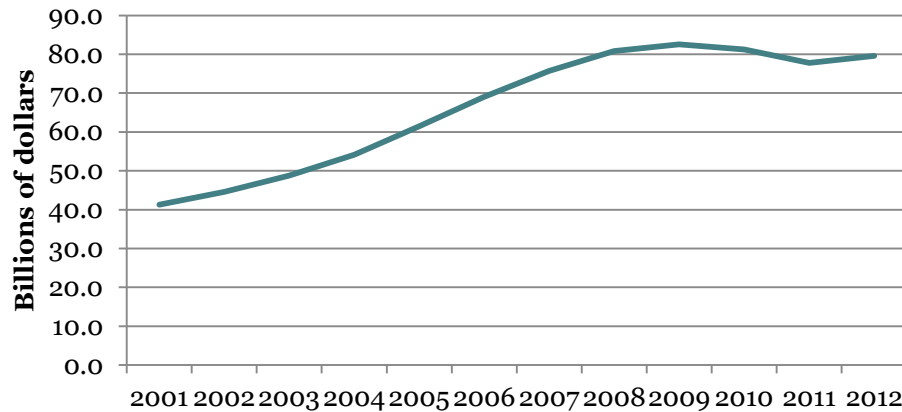


Four forms of Capital

- **Built capital**
- **Human capital**
- **Natural capital**
- **Social capital**

Built Capital

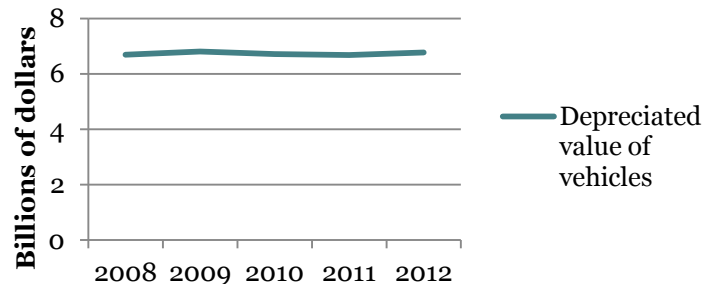
Total Equalized Real Property Value



Grand list represents the value of the land and improvements but does not include the value of natural capital that is the commons:

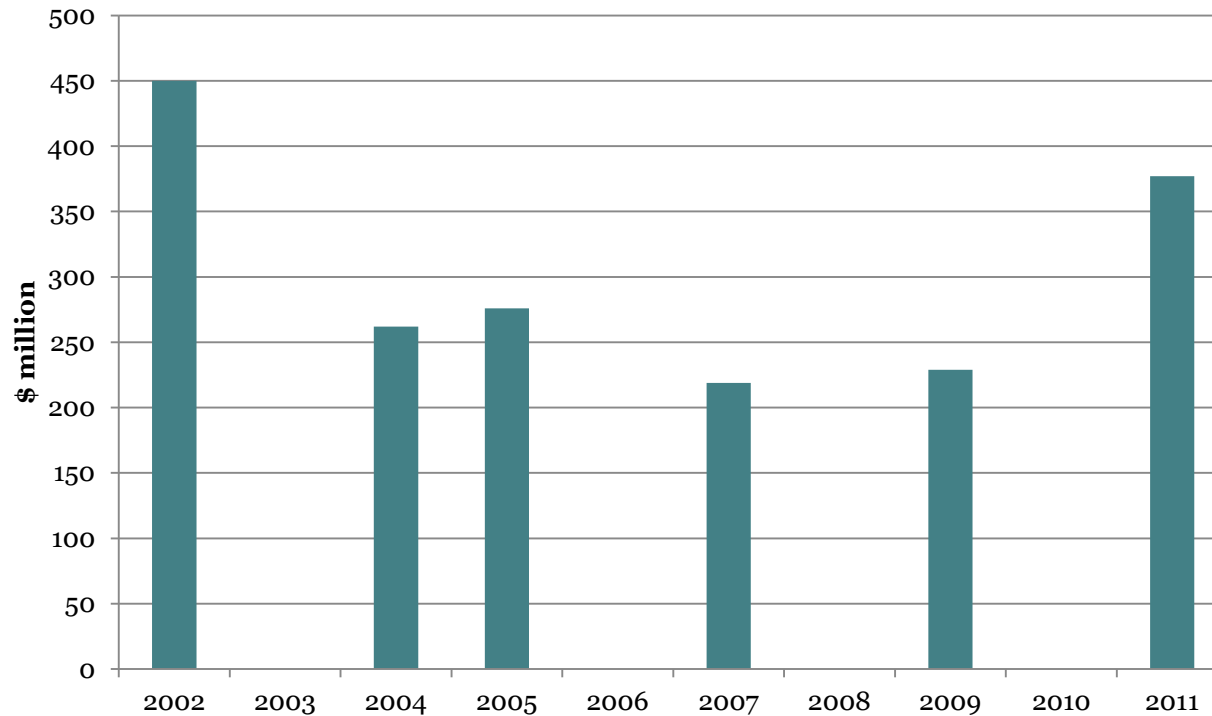
- Water
- Wildlife
- Waste assimilation

Depreciated value of vehicles



Built Capital

Built Capital - Manufacturing Capital Expenditure



Built Capital - Public Infrastructure

Roads – 14,281 miles

7 billion vehicle miles travelled

2700 miles state managed roads

Value? (\$20-50 billion)

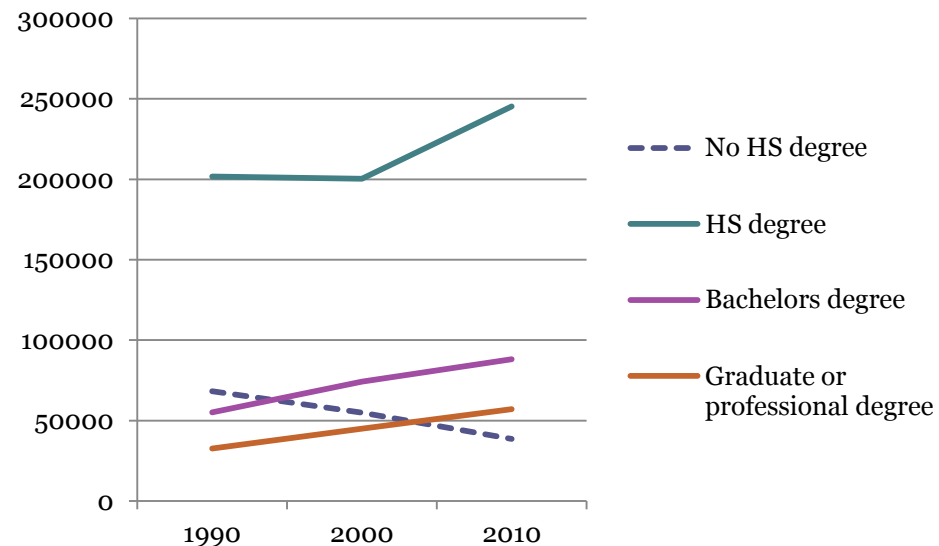
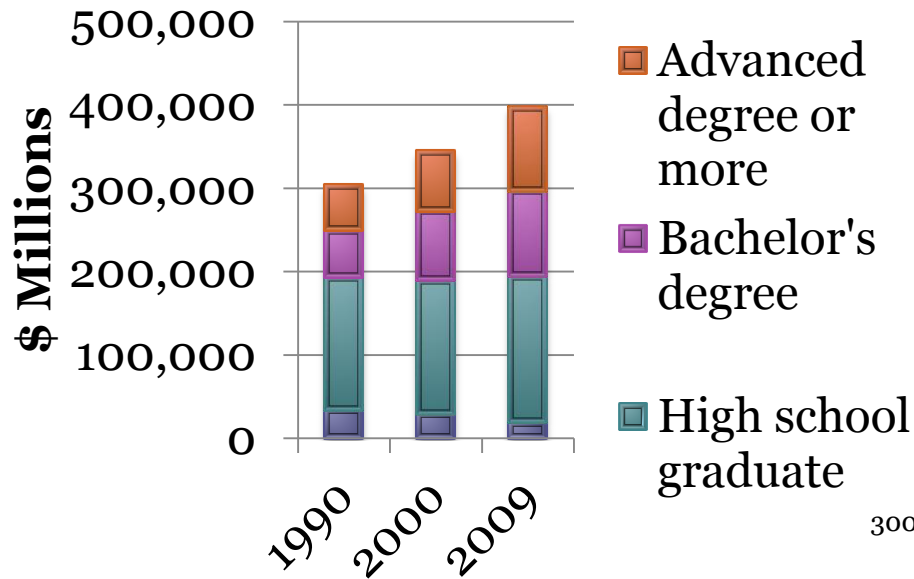
Drinking water – 1,643 public drinking water systems

Many are privately owned

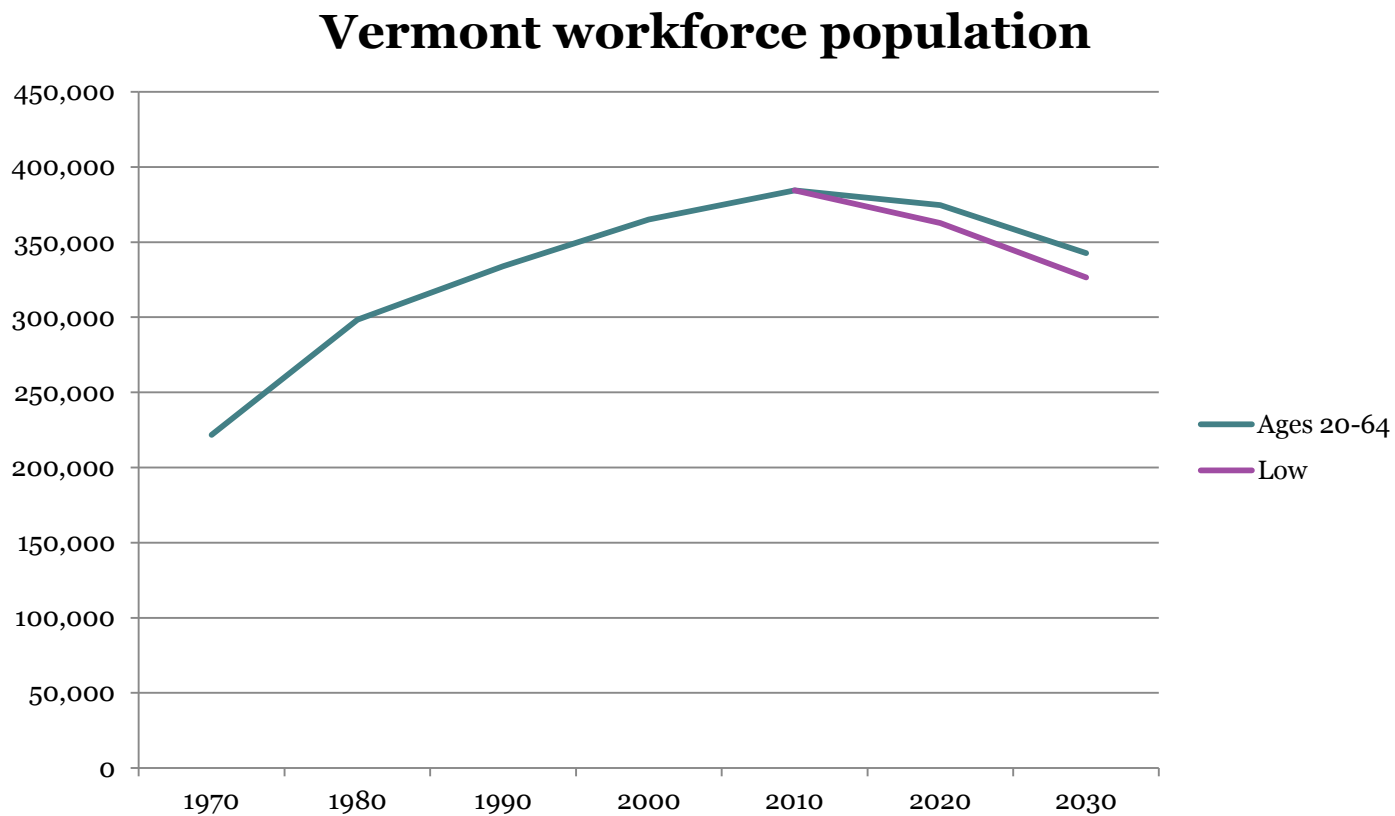
The value is largely included in property value

Wastewater

The Vermont Economy - Human Capital



The Vermont Economy - Human Capital



Four forms of capital

Built capital – Tens of \$Billions

Human capital– Hundreds of \$Billions

Natural Capital – Easier to quantify losses than total value

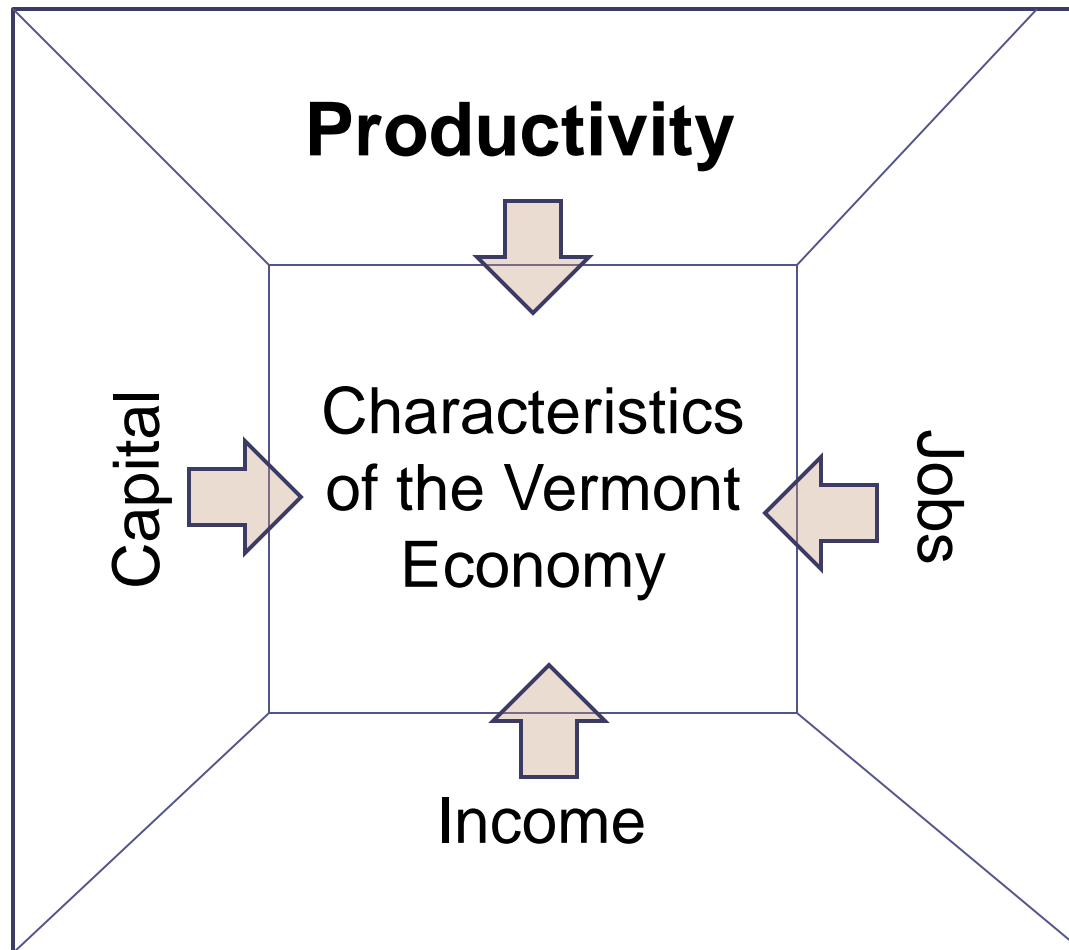
Water

Air

Biological processes

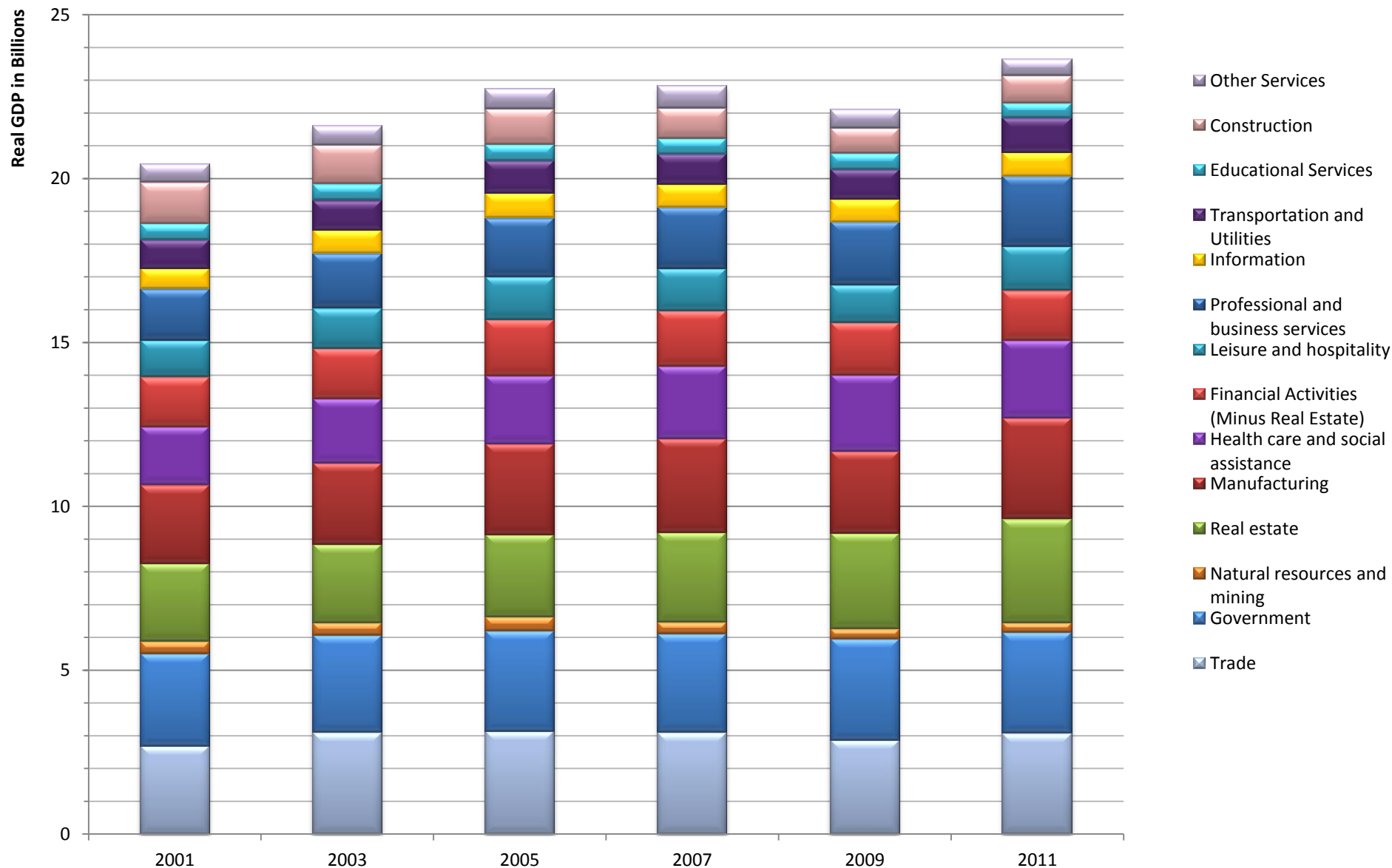
Social capital

The Vermont Economy



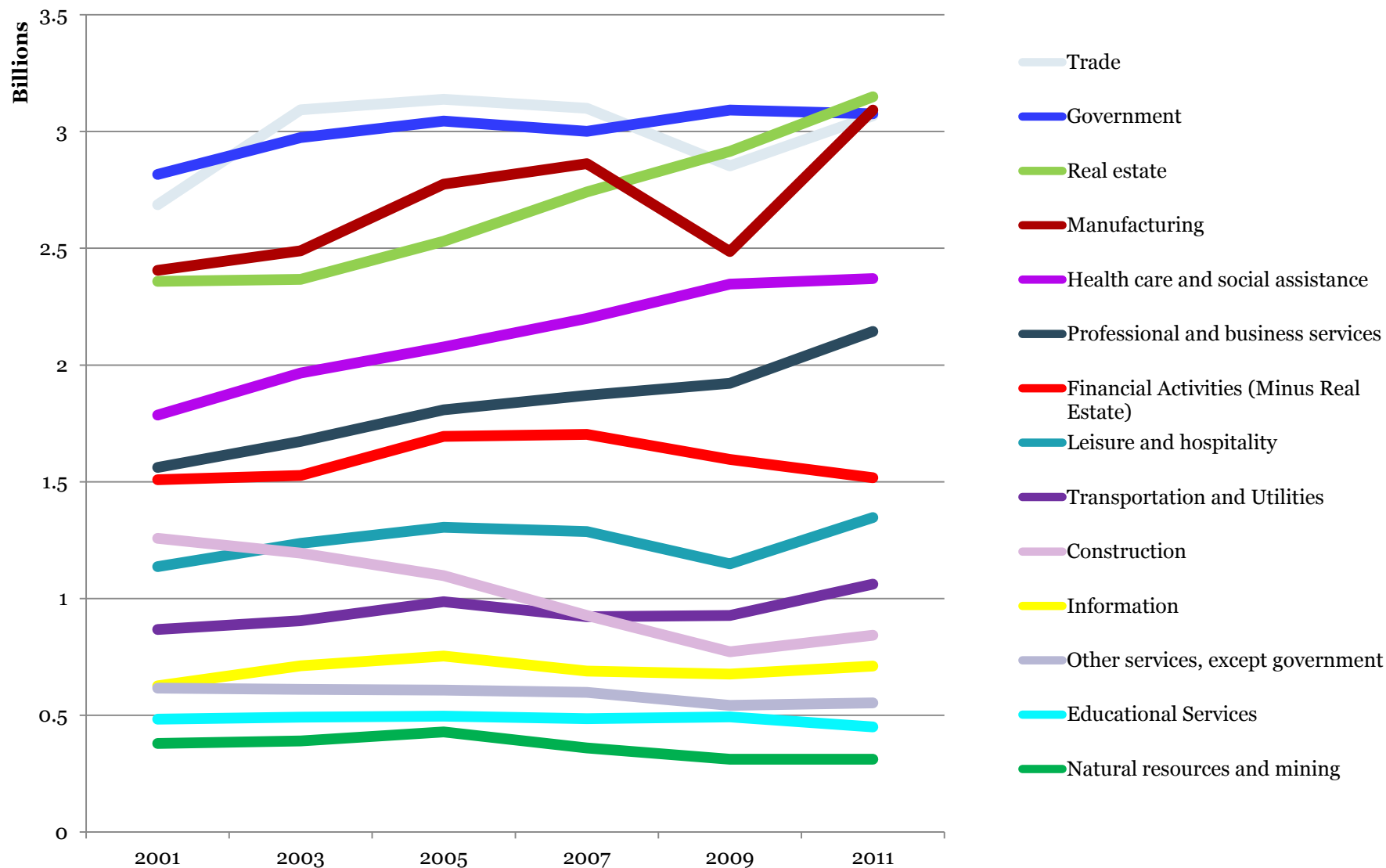
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Total State GDP



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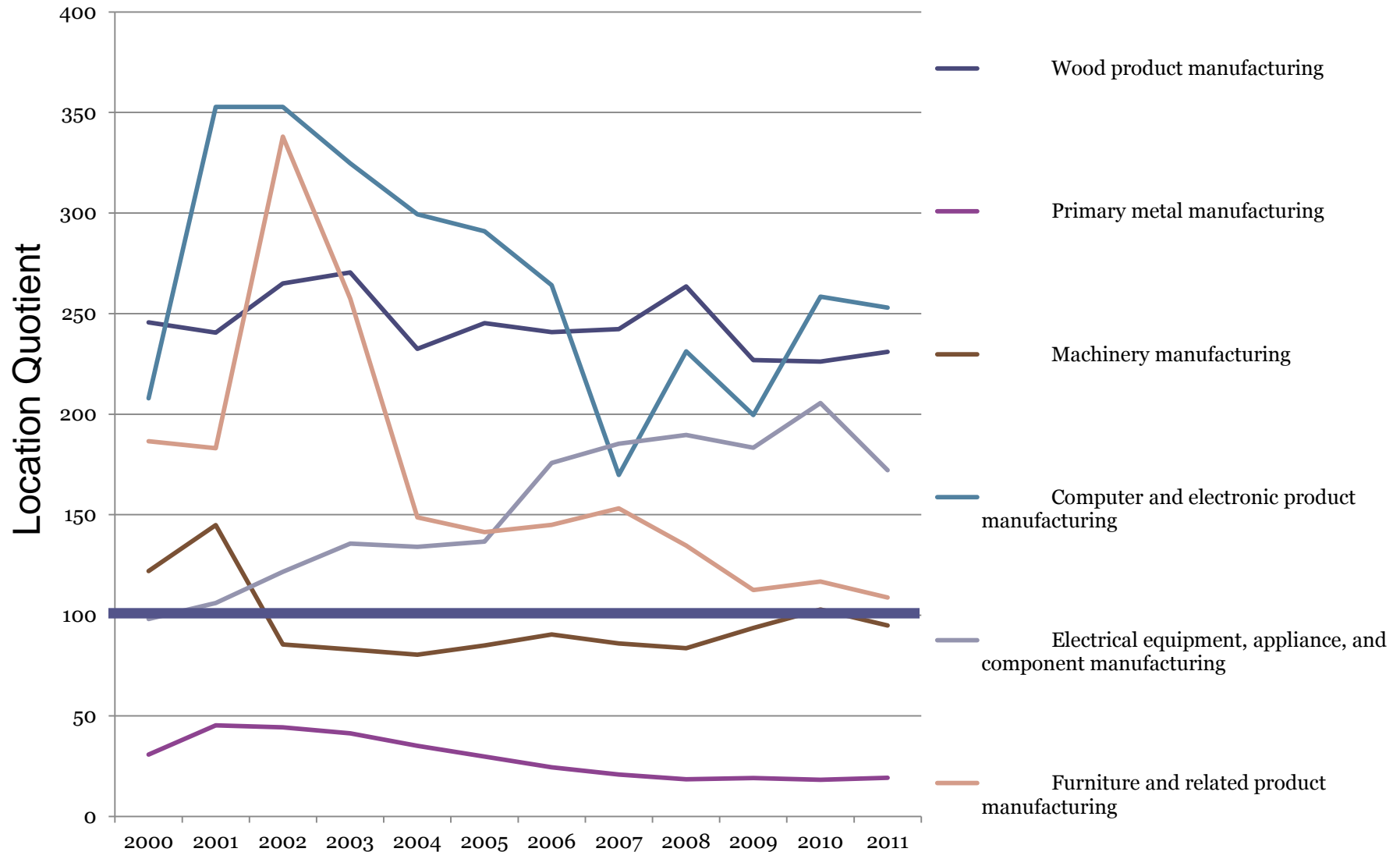
State Output



Location Quotient

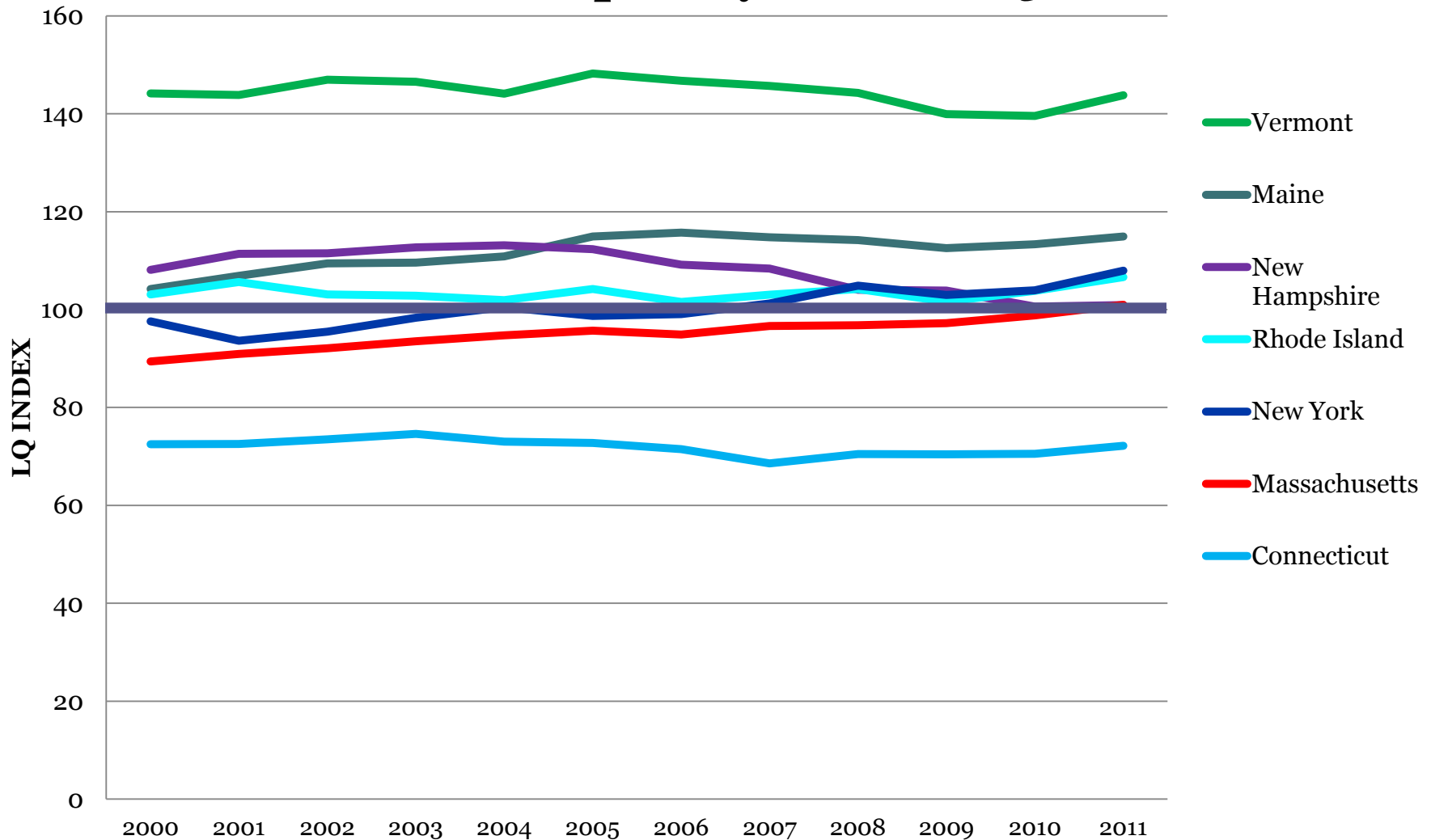
- The relative proportion of economic activity in Vermont
- $= \text{VT activity} / \text{US Activity} * (\text{VT economy} / \text{US Economy})$
- $\text{VT economy} / \text{US economy} = 0.21\%$
- If Vermont has \$50 million of widget manufacturing and the US has \$2 billion of widget manufacturing:
 - $\text{LQ} = 1.4$ (or 140 on a 100 point scale)

Manufacturing - Trends and Market Share

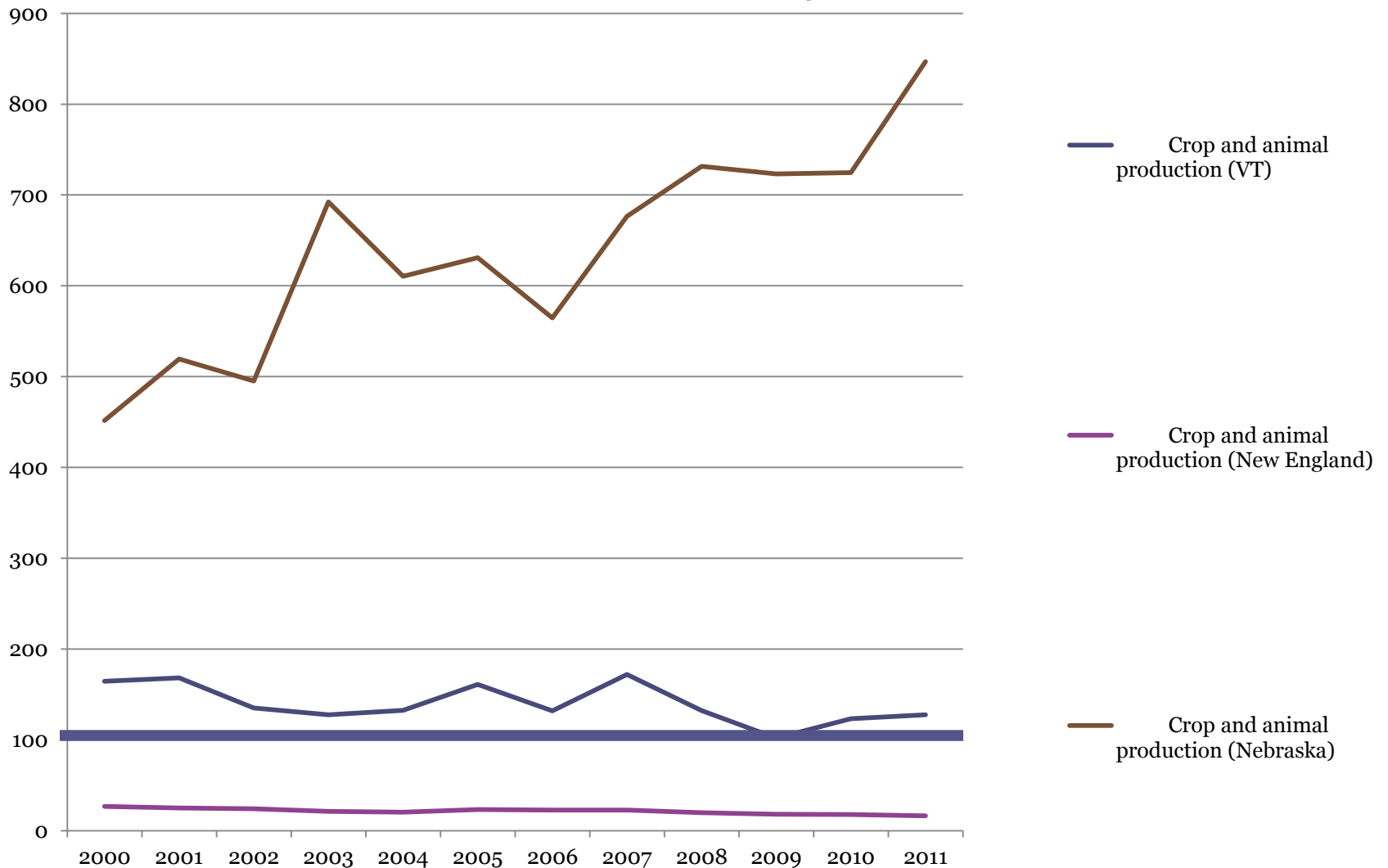


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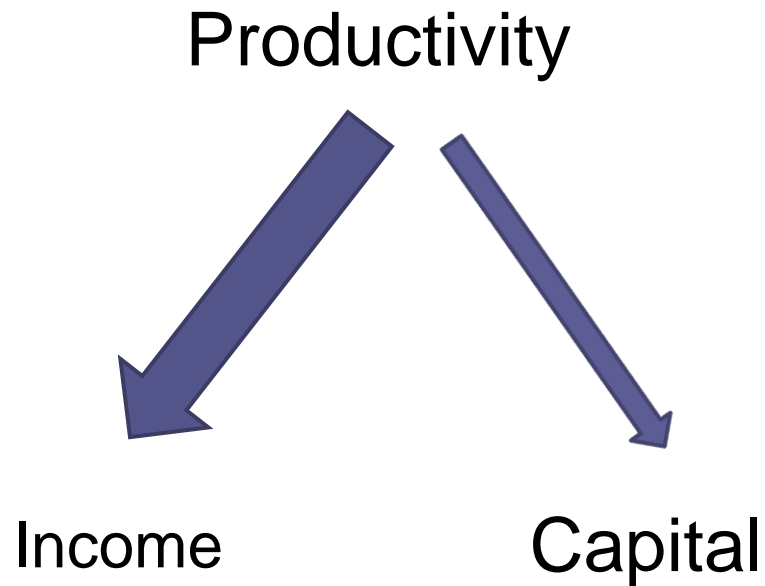
Leisure and Hospitality Location Quotient



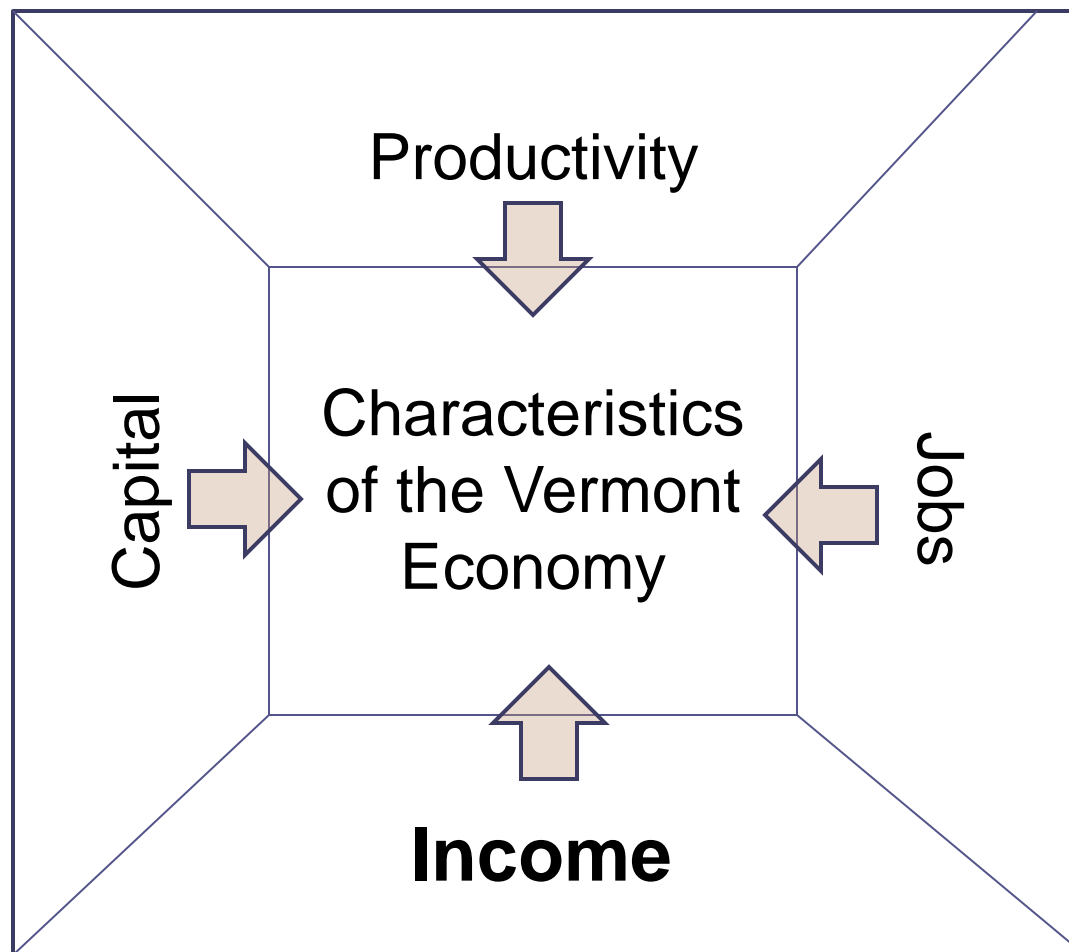
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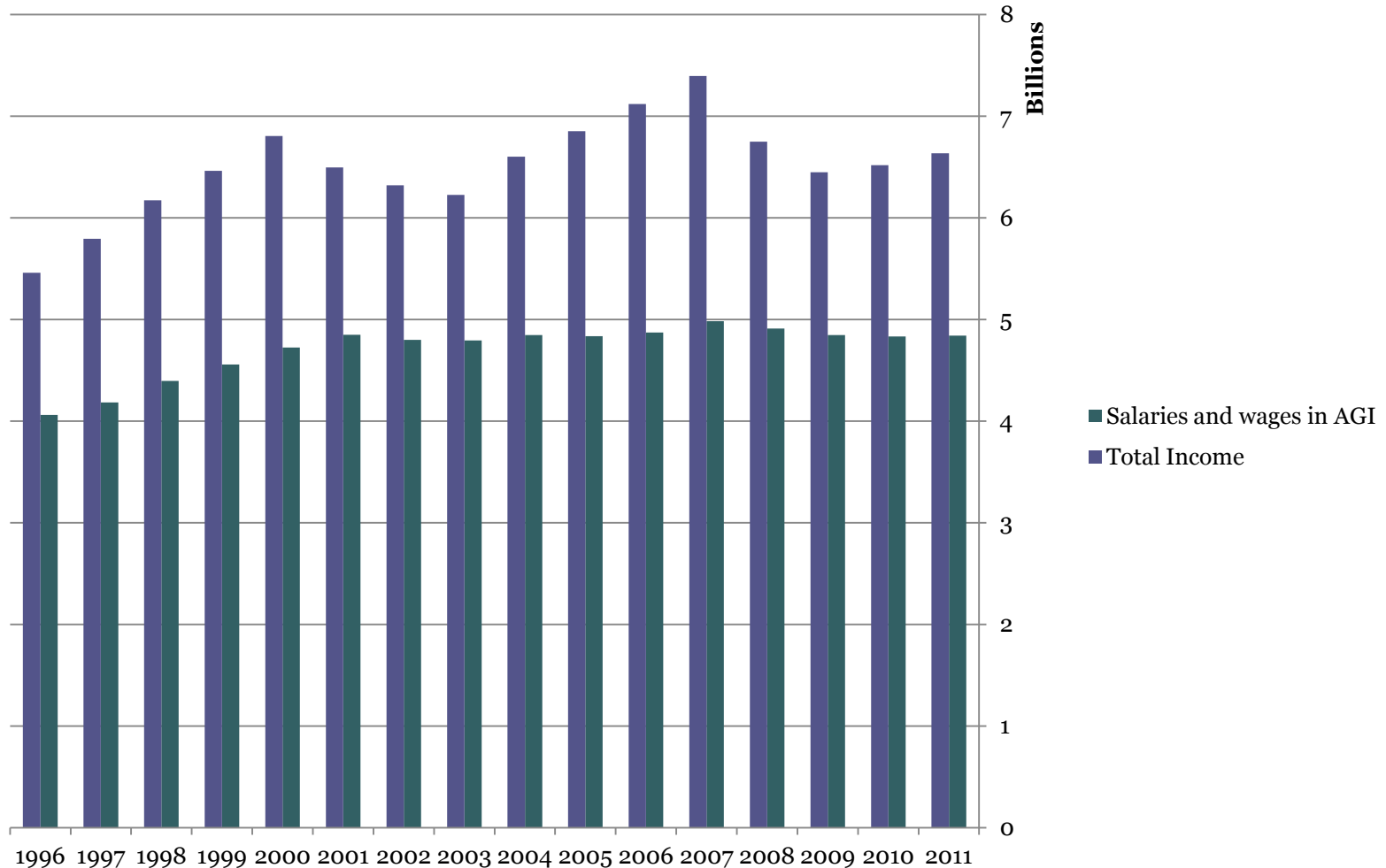
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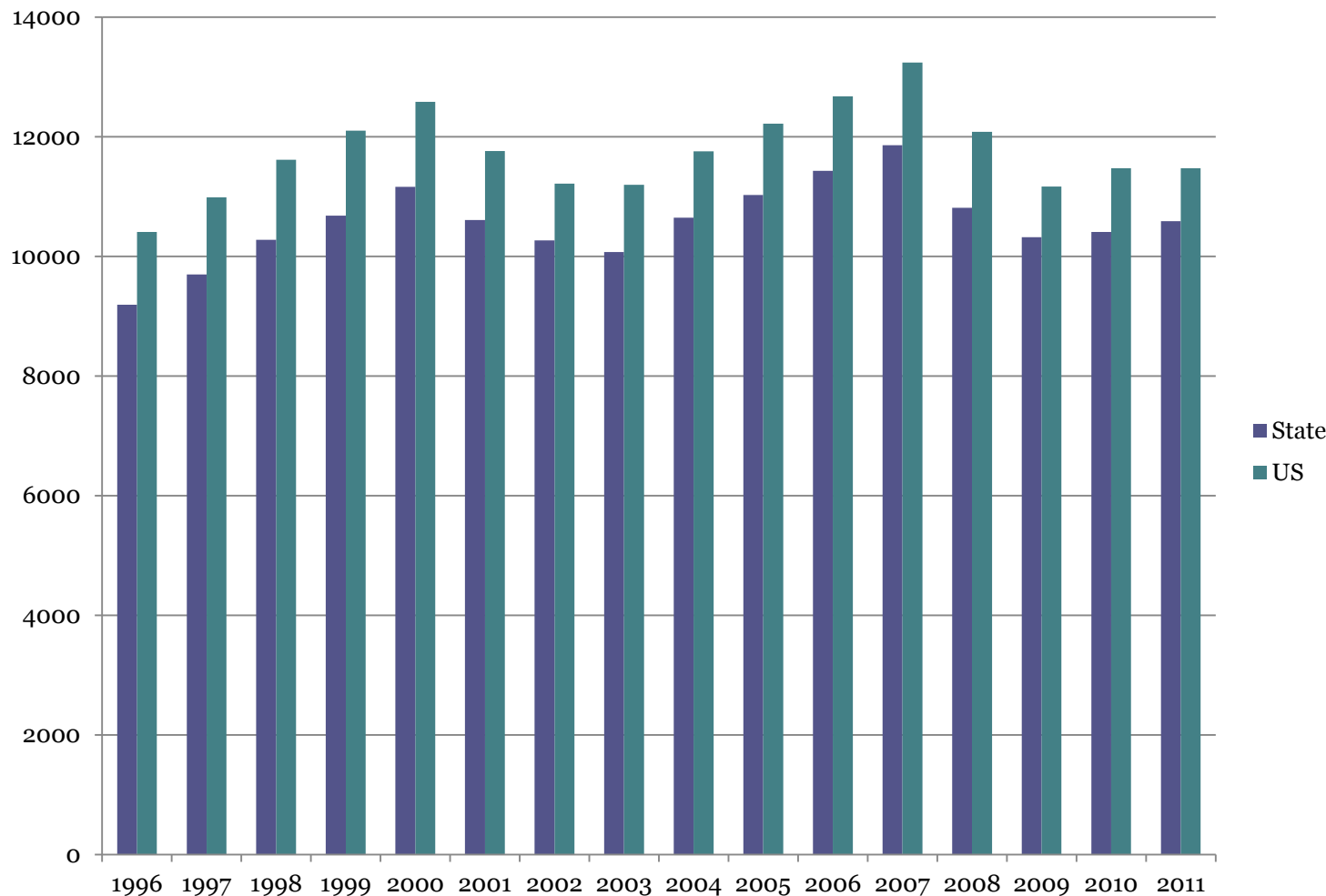


The Vermont Economy - Income



The Vermont Economy

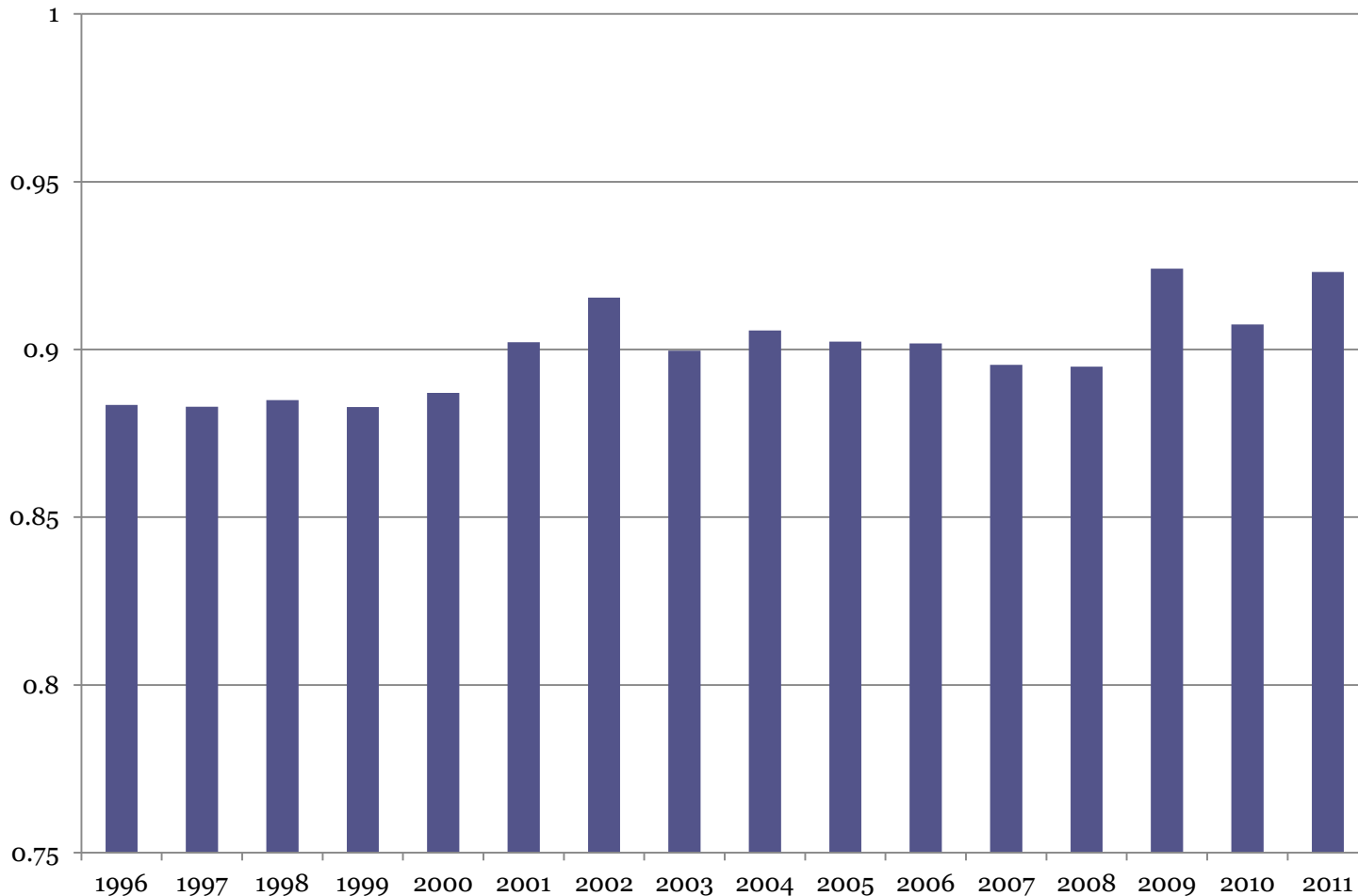
Total Income Comparison



Real, per
capita Total
Income

The Vermont Economy

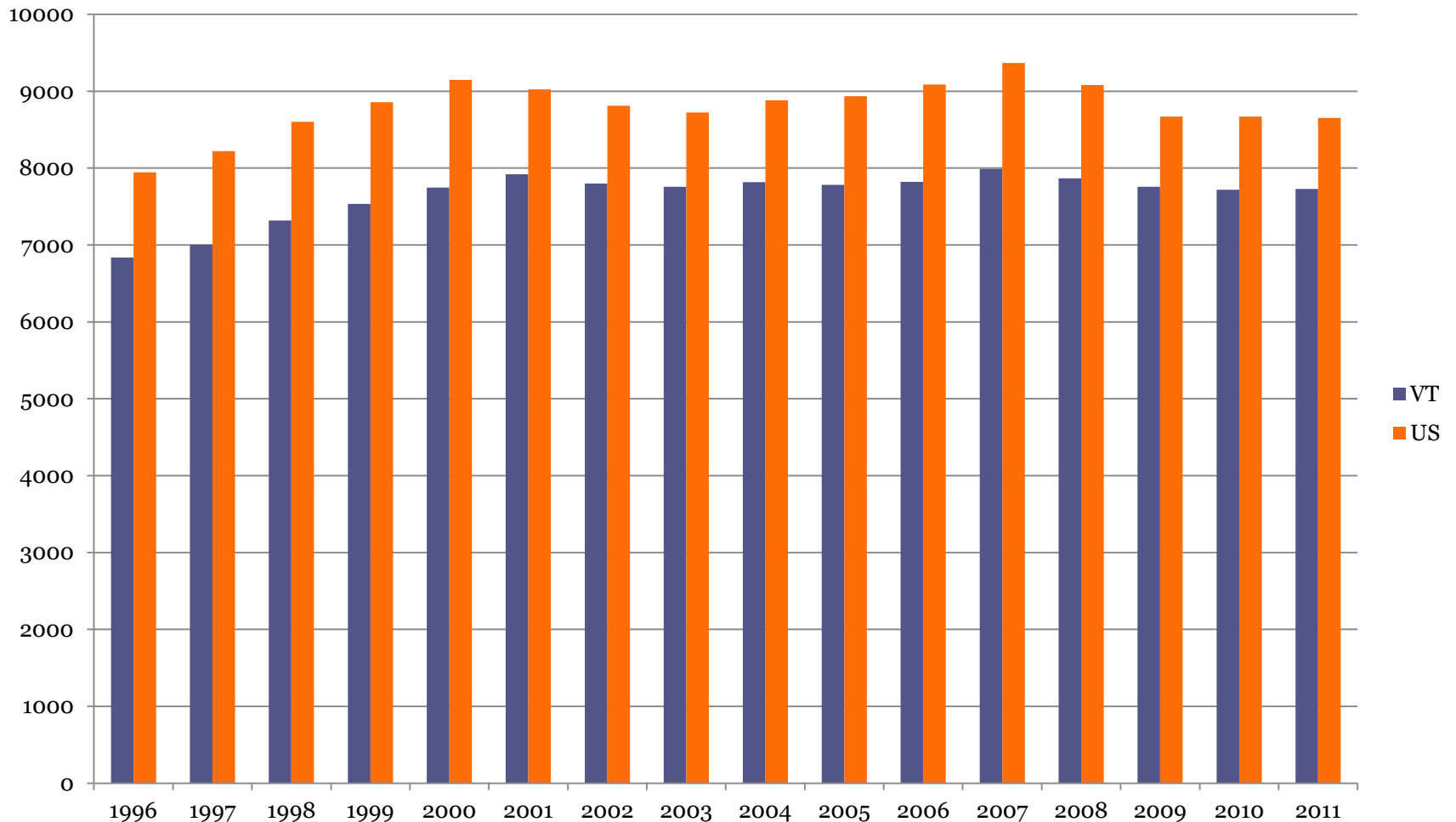
VT Total Income as Fraction of US Total Income



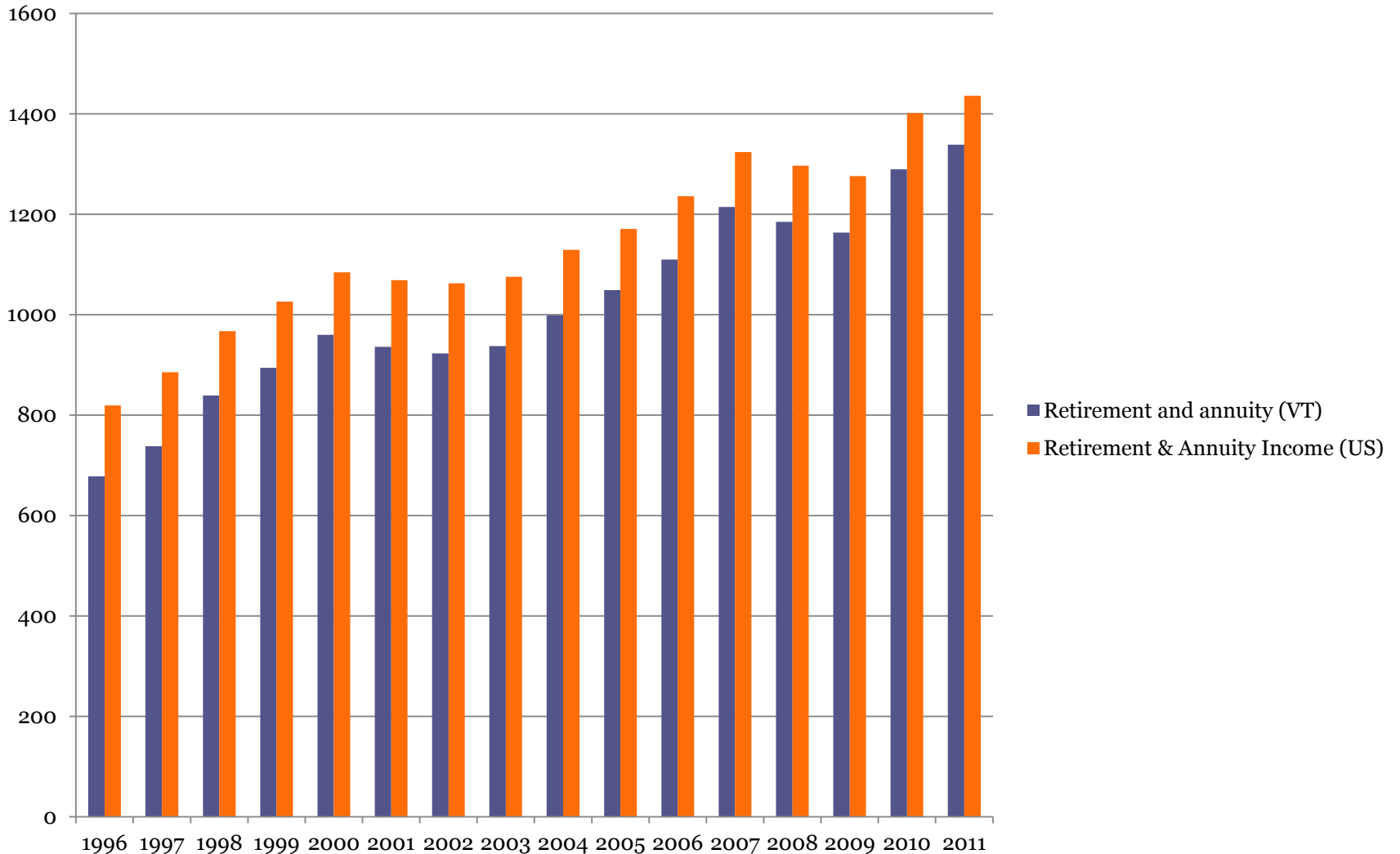
Vermont Total
per capita
income divided
by US Total per
capita income

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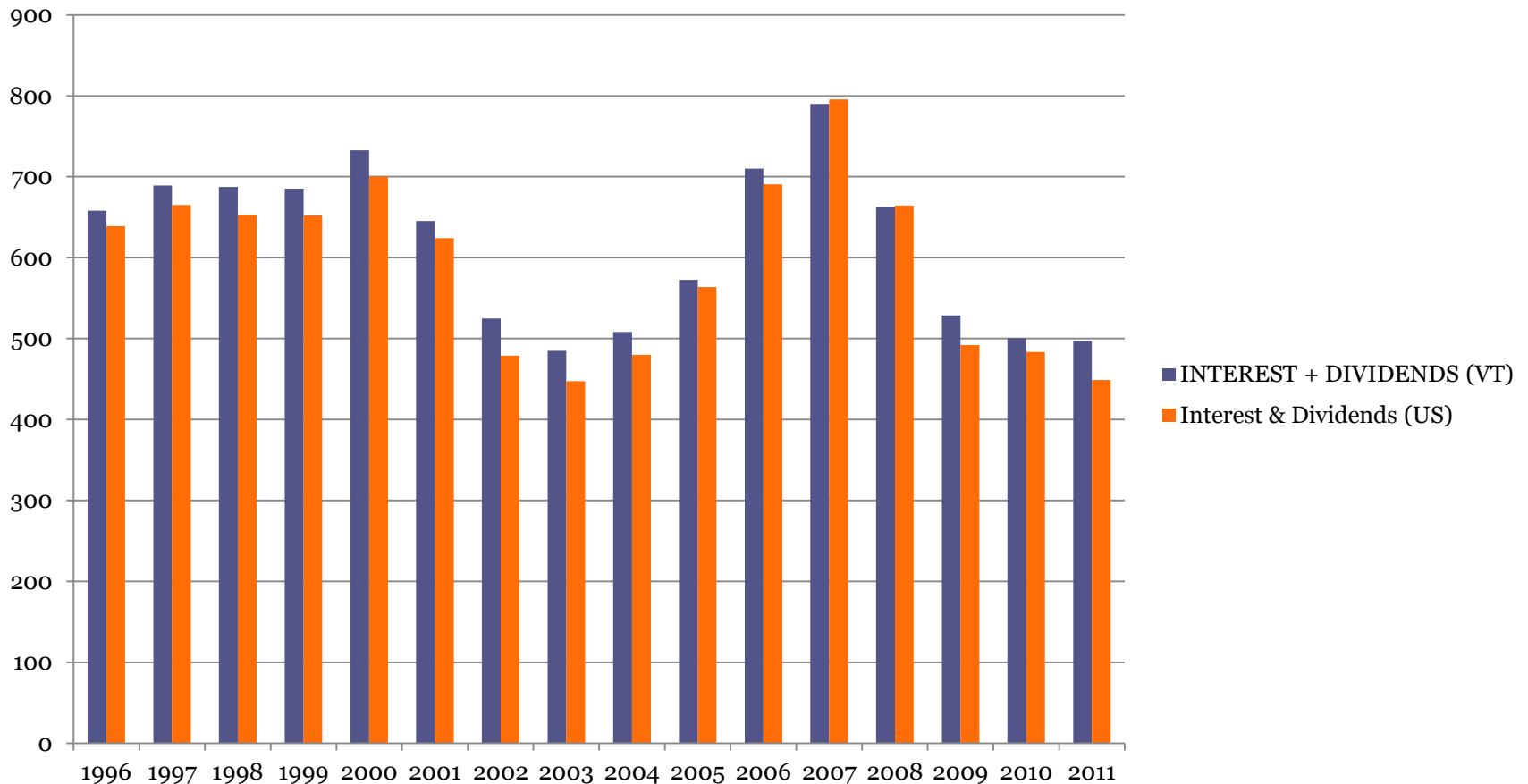
Salary & Wage Comparison



The Vermont Economy

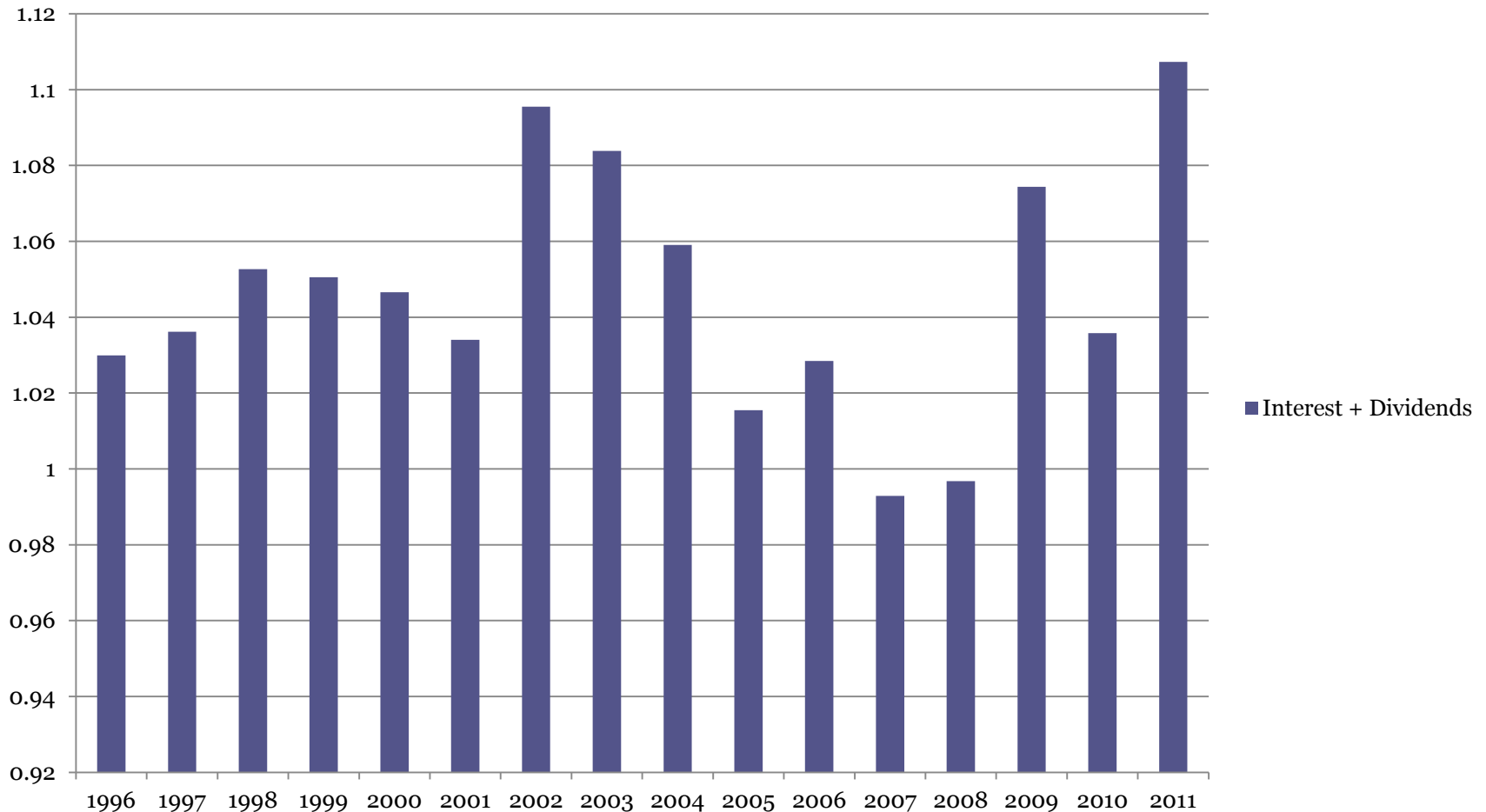


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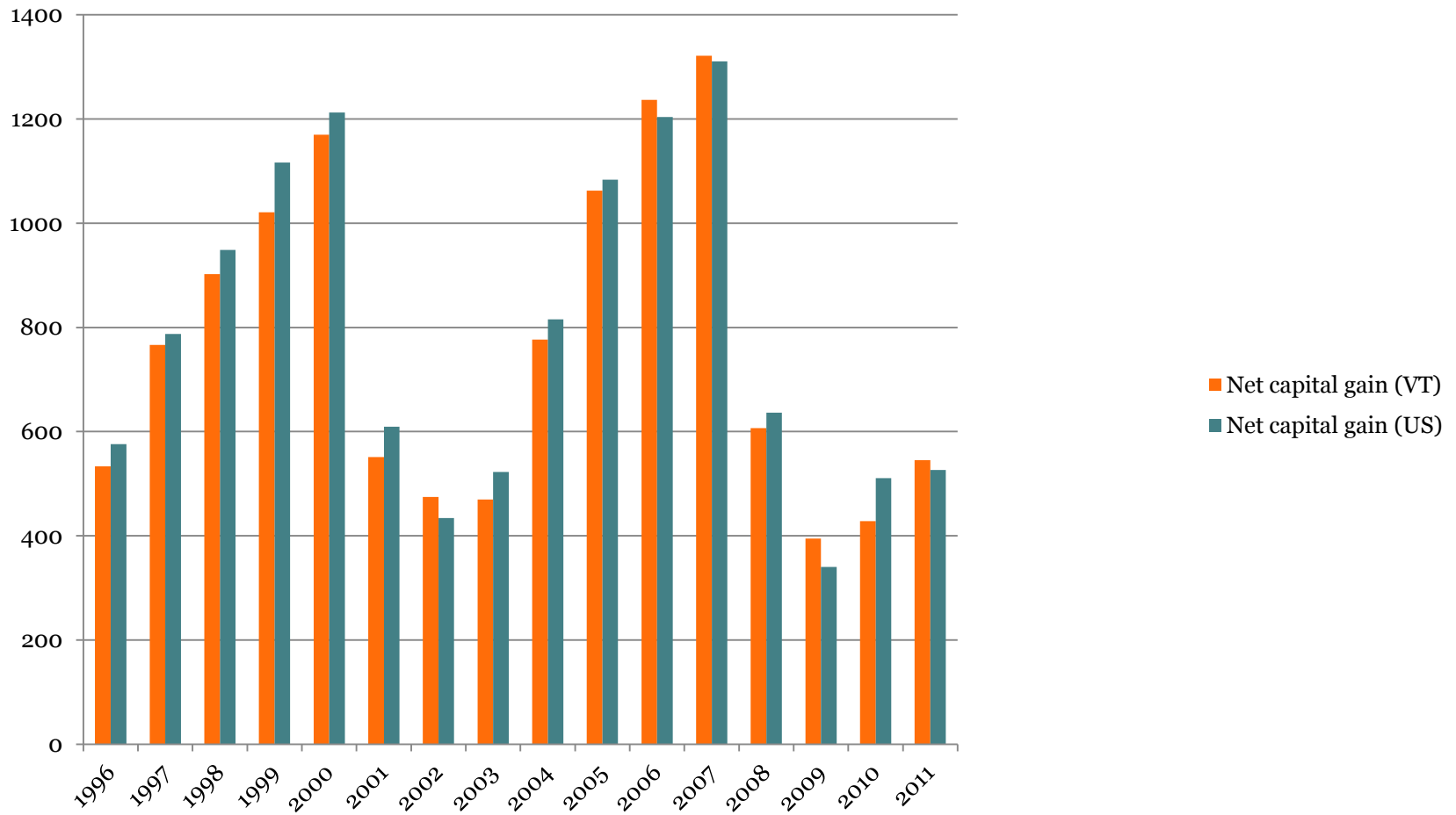


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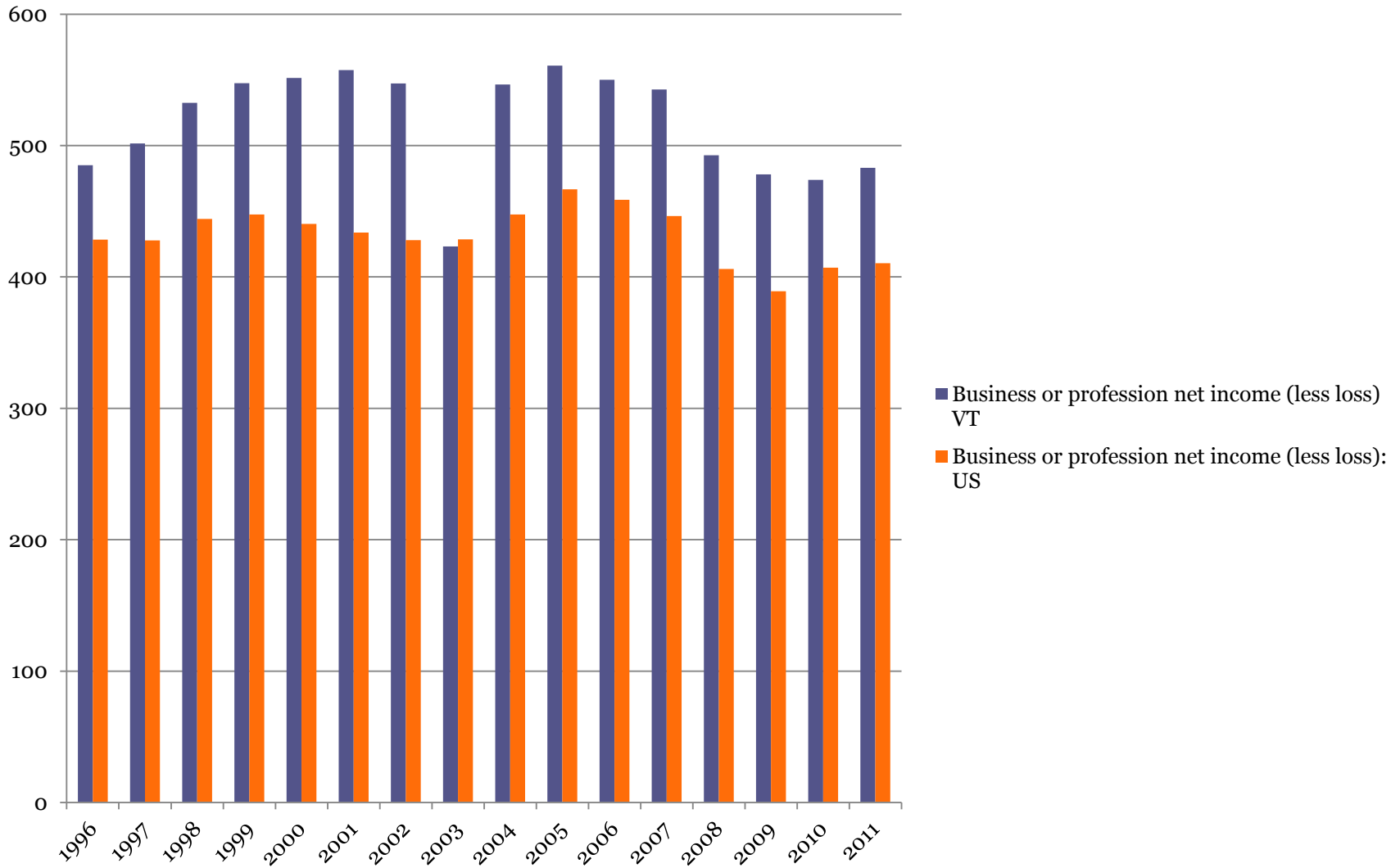
Interest + Dividends



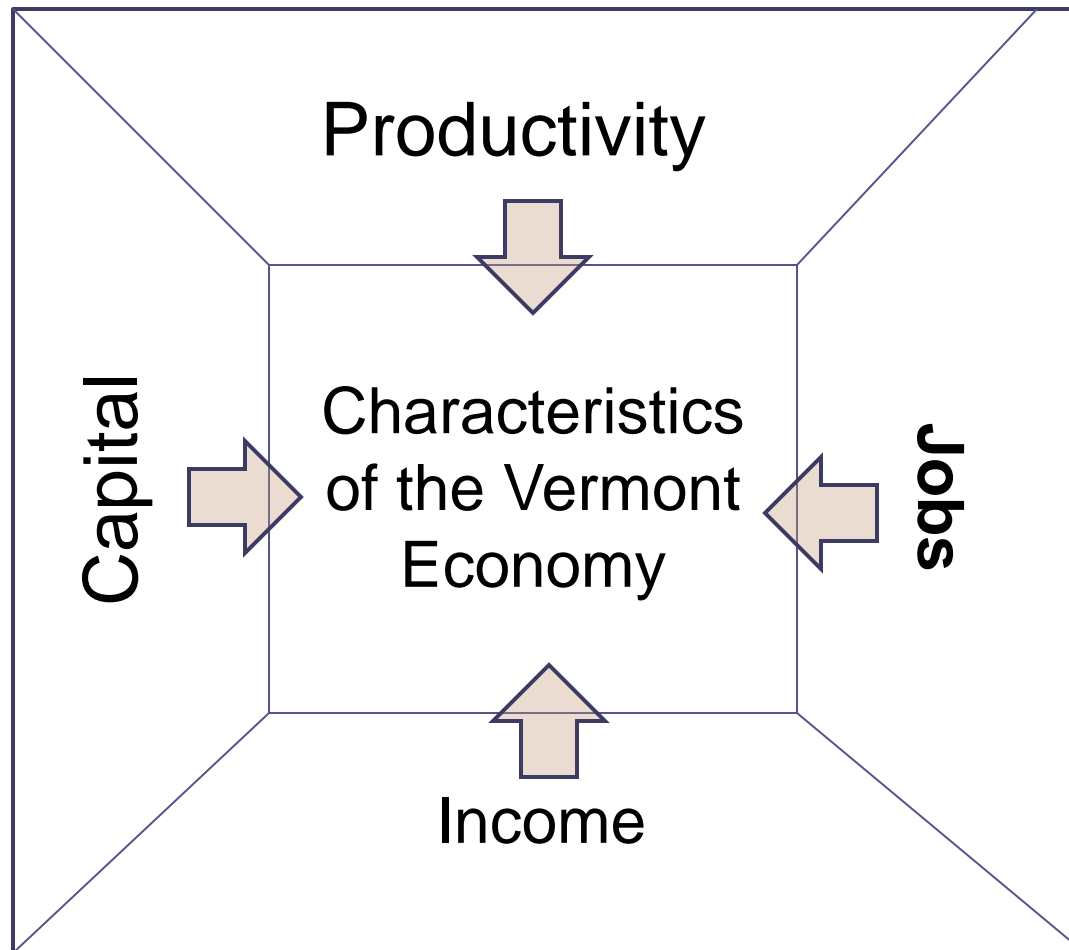
The Vermont Economy



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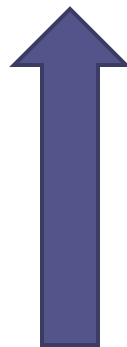


The Vermont Economy



The Vermont Economy

Productivity

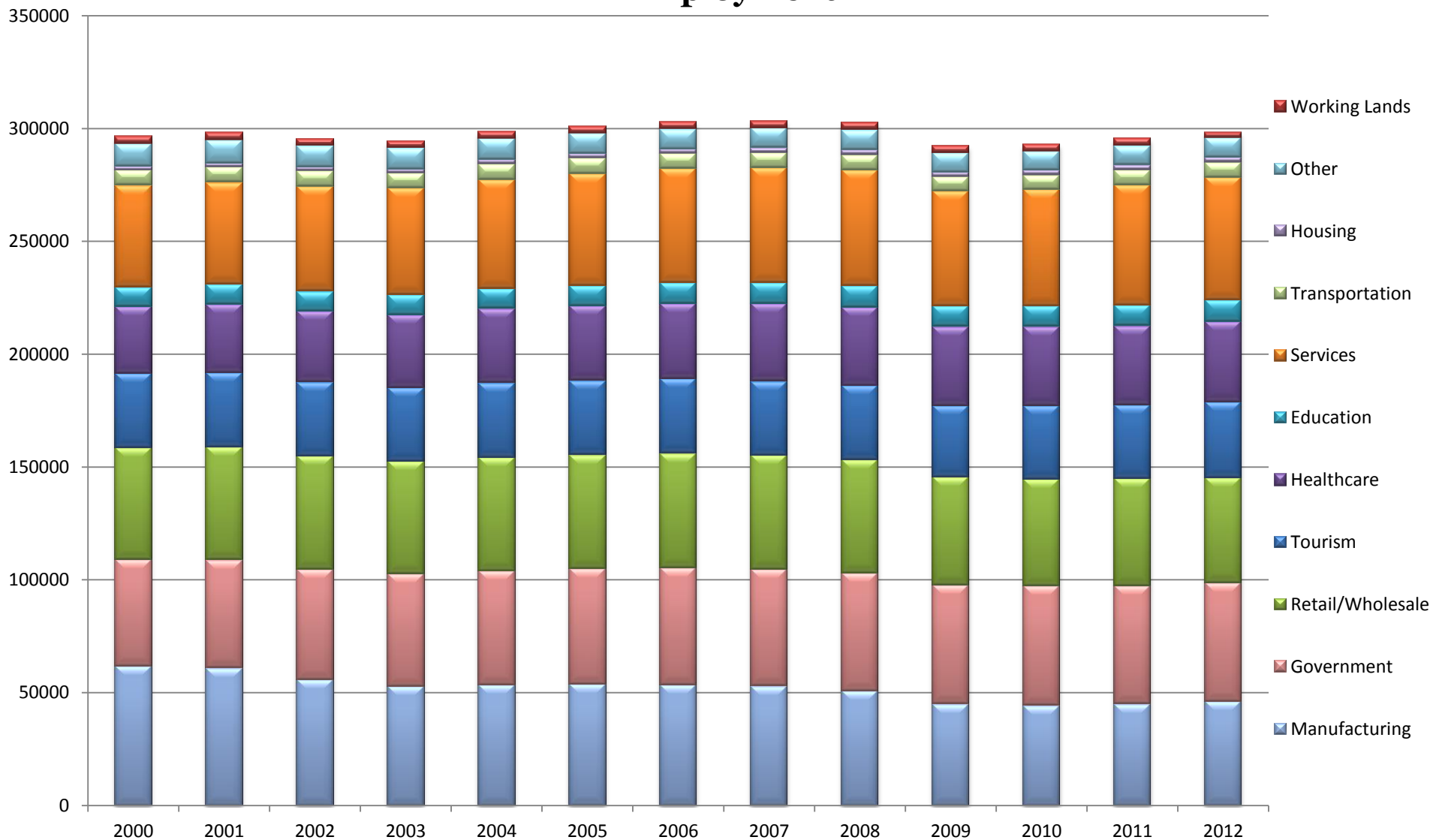


Jobs

Capital

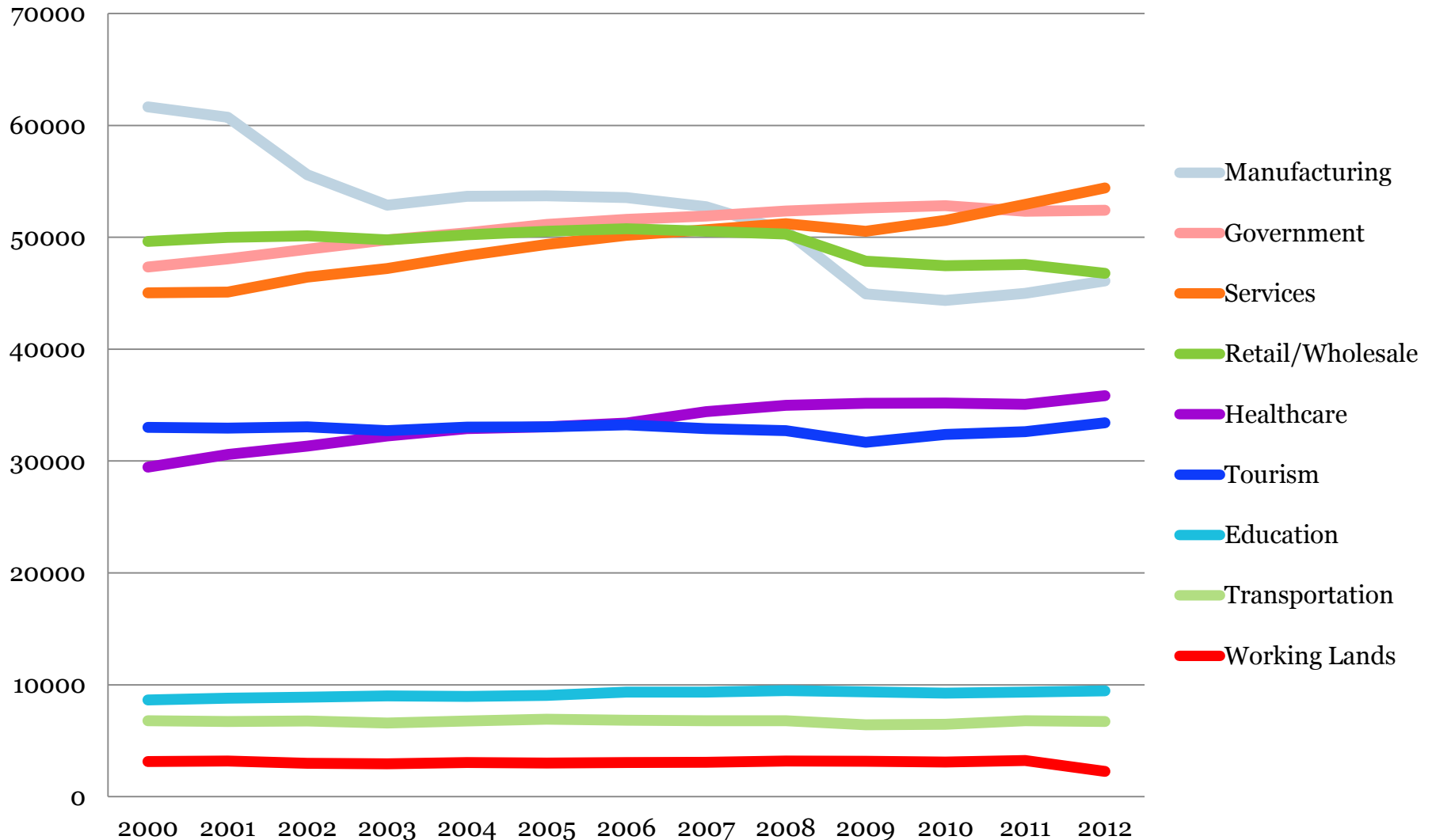
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Employment



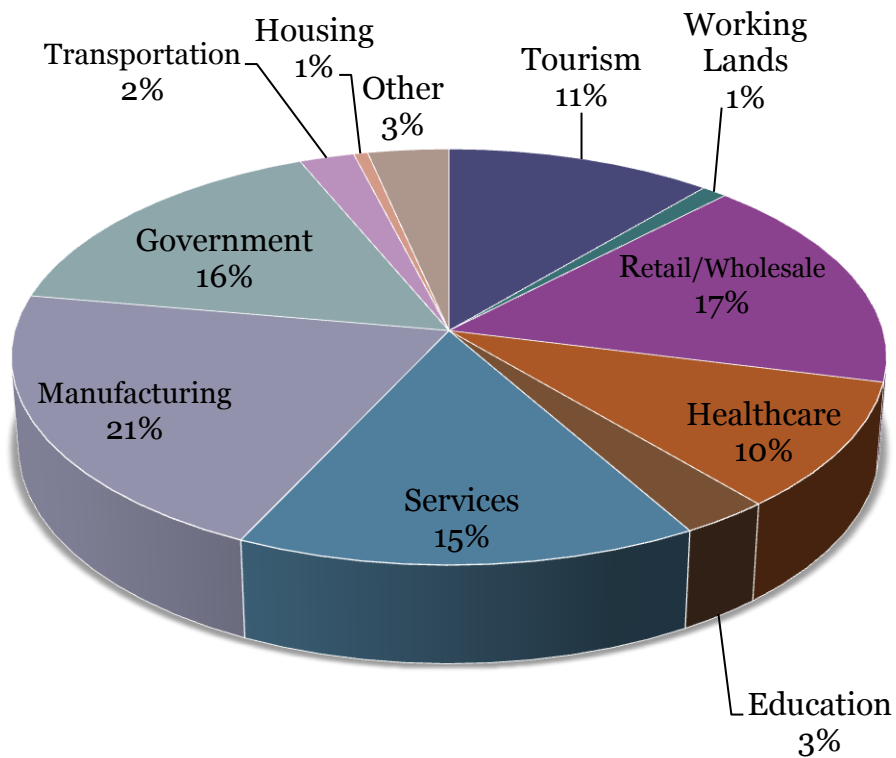
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Employment by Sector

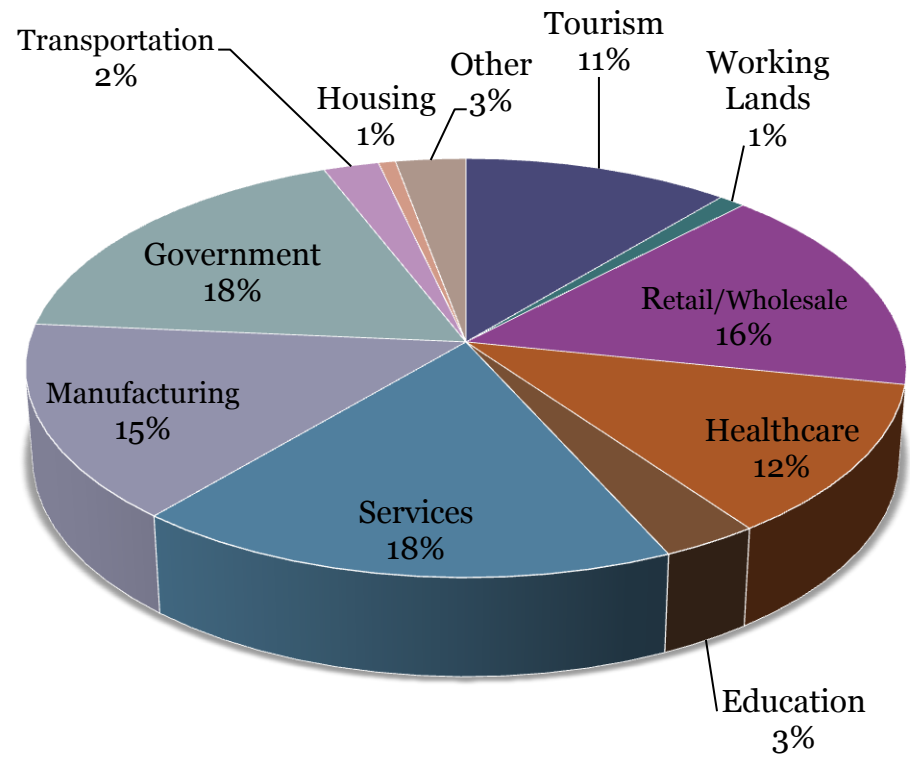


The Vermont Economy

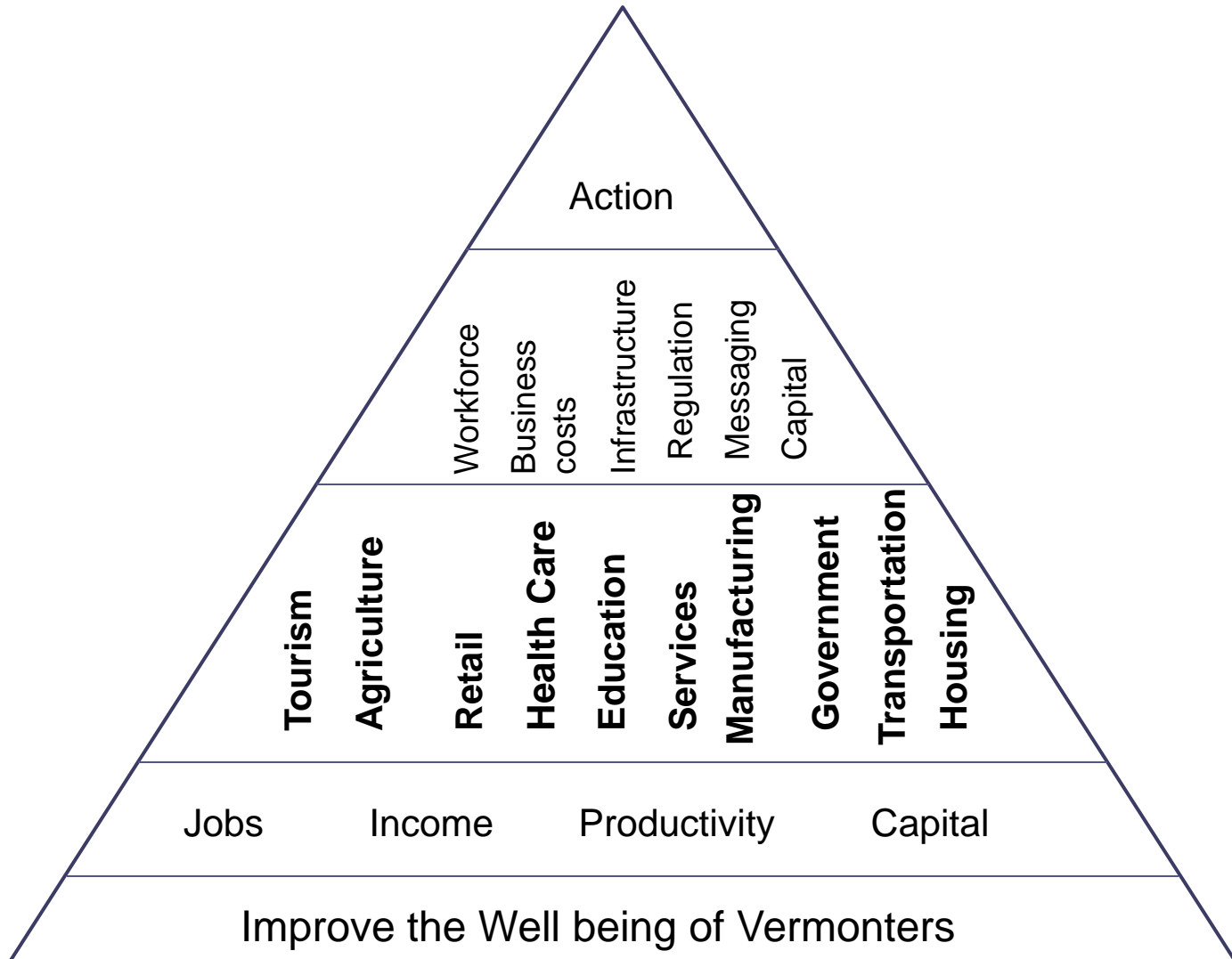
2000 Employment by Sector



2011 Employment by Sector

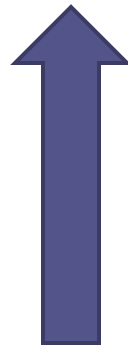


CEDS



Resilience and Social Capital

Productivity



Jobs

Capital

Natural disaster and economic shock deplete natural and built capital.
How an economy responds to restore productivity may rely on social capital.

Economics and Well being

This presentation focuses on the quantitative aspects of Vermont's economy.

Our well being is more than income and productivity.

The value of natural capital and social capital may be a key to putting well being into perspective.

Rough Timeline

Summer – Characterize the Economy and identify issues

Fall – Structure the report and identify potential strategies

Winter – make choices and finalize report

Spring – Circulate and develop work plans

Each step benefitting from outreach



Your comments are always welcome.

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Handout For Sector Definitions

- **Output – Sector Descriptions**

- Construction: comprises establishments primarily engaged in the construction of buildings and other structures, heavy construction (except buildings), additions, alterations, reconstruction, installation, and maintenance and repairs. Establishments engaged in demolition or wrecking of buildings and other structures, clearing of building sites, and sale of materials from demolished structures are also included. This sector also includes those establishments engaged in blasting, test drilling, landfill, leveling, earthmoving, excavating, land drainage, and other land preparation.
- Manufacturing: The Manufacturing NAICS sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction.
- Health Care and Social Assistance: comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities.
- Leisure and hospitality: Leisure and hospitality consists of industries within the arts, entertainment, and recreation and accommodation and food services sector.
- Natural Resources and mining: consists of agriculture, forestry, fishing, and hunting; and mining.
- Government: includes the executive, legislative, judicial, administrative and regulatory activities of Federal, state, local, and international governments.
- Financial Activities (minus real estate): Financial activities consist of finance and insurance, rental, and leasing.
- Information: producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and processing data.
- Professional and business services: consists of professional and technical services, management of companies and enterprises, and administrative and waste services.
- Educational Services: comprises establishments that provide instruction and

training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

- Transportation and Utilities: consists of utilities and these transportation industries: air, rail, water, truck, transit and ground passenger, pipeline, other transportation and support activities, and warehousing and storage.
- Trade: consists of wholesale and retail trade.
- Other services, except government: comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Jobs – Sector Descriptions

Tourism: Arts, entertainment and recreation, Accommodation and food services

Working Lands: Agriculture, forestry, fishing, and hunting, Mining

Retail/Wholesale: Wholesale Trade, Retail Trade

Health Care: Ambulatory health care services, Hospitals, Nursing and residential care facilities

Education: Educational Services

Services: Information, Financial Activities (minus Real estate), Professional and Business Services, Social Assistance, Utilities

Manufacturing: Construction, Manufacturing: Durable goods, Manufacturing: Nondurable goods

Government: Federal, State, and local (includes public educators)

Transportation: Transportation and warehousing

Housing (Real Estate): Real Estate

Other services, except public administration: Repair and maintenance, Personal and laundry services, membership associations and organizations, Private households